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Proposed Attorneys for Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

USA Commercial Mortgage Company
06-10725 – Lead Case

USA Capital Realty Advisors, LLC
06-10726

USA Capital Diversified Trust Deed Fund,
LLC
06-10728

USA Capital First Trust Deed Fund, LLC
06-10728

USA Securities, LLC
06-10729

Debtors.

Jointly Administered

Chapter 11 Cases

Judge Linda B. Rieggle Presiding

**Omnibus Reply to Objections to Lewis
and Roca's First Interim Fee
Application**

Date:

Time:

Affecting:

☒ All Cases

or Only:

☐ USA Commercial Mortgage Company

☐ USA Capital Realty Advisors, LLC

☐ USA Capital Diversified Trust Deed Fund,
LLC

☐ USA Capital First Trust Deed Fund, LLC

The Official Committee of Unsecured Creditors of USA Commercial Mortgage Company's counsel – Lewis and Roca LLP – hereby submits its reply to certain objections to its First Interim Application for Compensation (DE 1225):

- Objection filed by Thomas Hantges and Joseph Milanowski (DE 1321)
- Omnibus Response of JV Direct Lenders (DE 1316)
- Joinder of McKnight 2000 Family Trust and McKnight SEP-IRA's to Omnibus Response of JV Direct Lenders (DE 1317).



1 Lewis and Roca sought interim compensation of \$227,901.25 for fees and
2 \$40,900.51 for expenses. This reply memo does not address the Notice of Objection filed
3 the Office of the United States Trustee, which is being addressed separately with
4 additional information provided to the U.S. Trustee. After the U.S. Trustee provides an
5 explanation for a portion of its objection, the firm will either resolve the remaining
6 concerns or file a separate response.

7 The JV Direct Lenders and McKnight argue that no fees should be charged against
8 their collateral. Hantges and Milanowski argue that no fees should be paid from the Direct
9 Lenders Collection Trust Account.

10 Lewis and Roca requests only that its application be allowed as an expense of
11 administration with priority under 11 U.S.C. § 503(b)(2). Such an expense of
12 administration may be paid from the unencumbered assets of the USA Commercial
13 Mortgage Company estate. Lewis and Roca does not suggest in its application that either
14 the loans of the JV Direct Lenders or McKnight, or the sums held in the Collection Trust
15 Account, constitute property from which expenses of administration can be paid. Such
16 funds would not be available to pay administrative expenses unless the Court so rules after
17 the issue is presented upon notice and a hearing. The firm understands that USACM will
18 pay expenses of administration from funds in its operating account.

19 Lewis and Roca accordingly request that its application be granted.

20 Dated September 21, 2006.

21 **LEWIS AND ROCA LLP**

22
23 By /s/ RC (#006593)

24 Susan M. Freeman, AZ 4199 (pro hac vice)

25 Rob Charles, NV 6593

26 *Proposed Attorneys for Official Committee of
Unsecured Creditors*